

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

YEAR ENDED DECEMBER 31, 2021

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Donaldsonville
Donaldsonville, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Housing Authority of the City of Donaldsonville (the Authority) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statement as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of December 31, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 6 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Statement and Certification of Program Costs, the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented for the Office of the Louisiana Legislative Auditor's information and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement and Certification of Program Costs; Schedule of Expenditures of Federal Awards; Financial Data Schedule; and Schedule of Compensation, Benefits and Other Payments to the Executive Director are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2022, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Aprio, LLP

Birmingham, Alabama
September 14, 2022

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Housing Authority of the City of Donaldsonville
Donaldsonville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Donaldsonville (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a *material weakness*, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be *material weaknesses* or *significant deficiencies*. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be *material weaknesses*. However, *material weakness* or *significant deficiencies* may exist that were not identified.

Report on Compliance and Other Matters

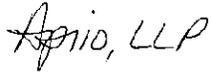
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2021-001.

The Authority's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Agrio, LLP". The signature is written in a cursive, slightly slanted style.

Birmingham, Alabama
September 14, 2022

HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2021

The Housing Authority of the City of Donaldsonville's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

Financial Highlights

- The Authority's net position decreased \$.1 million during 2021. Net Position was \$4 million and \$3.9 million for 2020 and 2021, respectively.

- Revenues decreased \$.3 million during 2021, and were \$1.5 million and \$1.2 million for 2020 and 2021, respectively.

- Expenses remained stable during 2021 at \$1.3 million.

USING THIS ANNUAL REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary Information":

MD&A

*~ MANAGEMENT DISCUSSION
AND ANALYSIS ~*

BASIC FINANCIAL STATEMENTS

*~ AUTHORITY-WIDE FINANCIAL STATEMENTS ~
~ NOTES TO FINANCIAL STATEMENTS ~*

OTHER REQUIRED SUPPLEMENTARY INFORMATION

*~ REQUIRED SUPPLEMENTARY INFORMATION ~
(OTHER THAN MD&A)*

Authority-Wide Financial Statements

Statement of Net Position

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format in which assets and deferred outflows of resources, equal liabilities, deferred inflows of resources and “Net Position”, formerly known as net assets. Assets and liabilities are presented in order of liquidity and are classified as “Current” (convertible into cash within one year), and “Non-current”.

The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net Position (formerly net assets) is reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that does not meet the definition of “Net Investment in Capital Assets”, or “Restricted Net Position.”

Statement of Revenues, Expenses, and Changes in Net Position

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, maintenance, and depreciation, and non-operating revenue and expenses, such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the “Change in Net Position”, which is similar to Net Income or Loss.

Statement of Cash Flows

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, investing activities and from capital and related financing activities.

THE AUTHORITY'S FEDERAL PROGRAMS

Significant Program – The focus of the Authority's Financial Statements should be on the significant program of the Authority. The following is considered a significant program of the Authority.

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to offer housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Other Program – In addition to the Conventional Public Housing Program above, the Authority also maintains the following program:

- Public Housing CARES Act Funding Program
- FEMA Disaster Grant

AUTHORITY-WIDE STATEMENTS

Condensed Statement of Net Position

The following table reflects the Condensed Statement of Net Position compared to the prior year.

TABLE 1
CONDENSED STATEMENT OF NET POSITION

	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current and Restricted Assets	\$ 807,623	\$ 1,500,635	\$ (693,012)
Capital Assets	3,983,583	2,882,634	1,100,949
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 4,791,206	\$ 4,383,269	\$ 407,937
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 198,276	\$ 379,647	\$ (181,371)
Non-Current Liability	706,818	25,519	681,299
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	\$ 905,094	\$ 405,166	\$ 499,928
Net Position:			
Net Investment in Capital Assets	\$ 3,302,399	\$ 2,882,634	\$ 419,765
Restricted Net Position	318,093	318,093	-
Unrestricted Net Position	265,620	777,376	(511,756)
Total Net Position	\$ 3,886,112	\$ 3,978,103	\$ (91,991)

Major Factors Affecting the Condensed Statement of Net Position

During 2021, current and restricted assets decreased due mainly to a reduction of grants receivable due from HUD, and reduced cash balances resulting from capital improvement expenditures. See the Statement of Cash Flows for additional detail regarding cash inflows and outflows. Capital assets increased due to construction and other dwelling improvements exceeding depreciation.

Current liabilities decreased due to a reduction of accounts payable due to vendors and contractors. Non-current liabilities increased due to borrowings against a construction loan during the year.

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2

CHANGE IN UNRESTRICTED NET POSITION

Unrestricted Net Position, January 1, 2021	\$ 777,376
Results of Operations	(246,187)
Capital Expenditures from Operating Reserves	(570,701)
Interest Income	1,150
Depreciation Expense	<u>303,982</u>
Unrestricted Net Position, December 31, 2021	<u><u>\$ 265,620</u></u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer understanding of the change in financial well-being.

TABLE 3

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following Schedule compares the revenues and expenses for the current and previous fiscal years.

	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Revenues:			
Tenant Rental and Other Revenue	\$ 521,188	\$ 539,050	\$ (17,862)
Operating Grants	468,936	354,641	114,295
Capital Grants	153,046	541,300	(388,254)
Interest Income	1,150	2,869	(1,719)
Other Revenue	51,878	55,890	(4,012)
Total Revenues	<u>\$ 1,196,198</u>	<u>\$ 1,493,750</u>	<u>\$ (297,552)</u>
Expenses:			
Administrative Expenses	\$ 283,759	\$ 299,177	\$ (15,418)
Tenant Services	7,039	39,641	(32,602)
Utilities	67,901	87,454	(19,553)
Maintenance and Operations	359,168	289,478	69,690
Protective Services	49,599	55,181	(5,582)
General Expense	216,741	209,126	7,615
Depreciation	303,982	318,994	(15,012)
Total Expenses	<u>\$ 1,288,189</u>	<u>\$ 1,299,051</u>	<u>\$ (10,862)</u>
Excess (Deficiency) of Revenues Over Expenses	<u>\$ (91,991)</u>	<u>\$ 194,699</u>	<u>\$ (286,690)</u>

Major Factors Affecting the Schedule of Revenue, Expenses and Changes in Net Position

Operating grants increased due to an increase of Public Housing Program subsidies recognized. Capital grants decreased due to a reduction of construction and other modernization and improvement activity which was subsidized through the Capital Fund Program.

Tenant services decreased slightly due to a reduction of COVID-19 related training, prevention and response costs. Maintenance costs increased due mainly to an increase of personnel and related costs incurred.

Capital Assets

As of year-end, the Authority had \$4 million invested in a variety of capital assets as reflected in the following schedule. For additional detail see the Notes to the Financial Statements.

TABLE 4
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)

	2021	2020	Variance	% Change
Land	\$ 233,313	\$ 233,313	\$ -	0%
Buildings and Improvements	7,875,800	7,996,619	(120,819)	-2%
Furniture and Equipment	424,448	407,390	17,058	4%
Construction in Process	2,365,779	977,906	1,387,873	
Accumulated Depreciation	(6,915,757)	(6,732,594)	(183,163)	3%
Net Capital Assets	\$ 3,983,583	\$ 2,882,634	\$ 1,100,949	38%

TABLE 5
CHANGE IN CAPITAL ASSETS

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, January 1, 2021	\$ 2,882,634
Additions:	
Construction in Process	1,387,873
Equipment Purchases	17,058
Depreciation Expense	(303,982)
Ending Balance, December 31, 2021	\$ 3,983,583

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is the Executive Director. Specific requests may be submitted to the Housing Authority of the City of Donaldsonville, 1501 St. Patrick Street, Donaldsonville, Louisiana 70346.

HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
 STATEMENT OF NET POSITION
 DECEMBER 31, 2021

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 416,835
Accounts Receivable	24,207
Prepaid Costs	34,349
Inventory	14,139
Total Current Assets	<u>489,530</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	<u>318,093</u>
Total Restricted Assets	<u>318,093</u>
<u>Capital Assets</u>	
Land	233,313
Buildings and Improvements	7,875,800
Furniture and Equipment	424,448
Construction in Process	2,365,779
	<u>10,899,340</u>
(Less): Accumulated Depreciation	<u>(6,915,757)</u>
Net Capital Assets	<u>3,983,583</u>
Total Assets	<u>4,791,206</u>
Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 4,791,206</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
 STATEMENT OF NET POSITION
 DECEMBER 31, 2021

**LIABILITIES, DEFERRED INFLOWS OF
 RESOURCES AND NET POSITION**

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 98,605
Accrued Wages and Payroll Taxes	16,599
Accrued Compensated Absences	14,243
Tenant Security Deposits	54,304
Unearned Revenue	14,525
Total Current Liabilities	<u>198,276</u>
<u>Long Term Liabilities</u>	
Long Term Capital Debt	681,184
Accrued Compensated Absences	25,634
Total Long Term Liabilities	<u>706,818</u>
Total Liabilities	<u>905,094</u>
Deferred Inflows of Resources	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>905,094</u>
<u>Net Position</u>	
Net Investment in Capital Assets	3,302,399
Restricted Net Position	318,093
Unrestricted Net Position	265,620
Total Net Position	<u>3,886,112</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 4,791,206</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 521,188
Operating Grants	468,936
Other Revenue	51,878
Total Operating Revenues	<u>1,042,002</u>
<u>Operating Expenses</u>	
Administrative	283,759
Tenant Services	7,039
Utilities	67,901
Maintenance and Operations	359,168
Protective Services	49,599
General Expense	216,741
Depreciation	303,982
Total Operating Expenses	<u>1,288,189</u>
Operating Income (Loss)	<u>(246,187)</u>
<u>Non-Operating Revenue</u>	
Interest Income	1,150
Total Non-Operating Revenue	<u>1,150</u>
Increase (decrease) before Capital Contributions	<u>(245,037)</u>
Capital Contributions	<u>153,046</u>
Increase (Decrease) in Net Position	(91,991)
Net Position, Beginning	3,978,103
Net Position, Ending	<u>\$ 3,886,112</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 526,234
Cash Received from Operating Grants	447,599
Cash Received from Other Sources	54,256
Cash Payments for Salaries and Benefits	(467,810)
Cash Payments to Vendors and Landlords	(518,586)
Net cash provided (used) by operating activities	<u>41,693</u>
 <u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	401,427
Capital Outlay	(1,583,249)
Proceeds from the issuance of Capital Debt	681,184
Net cash provided (used) by capital and related financing activities	<u>(500,638)</u>
 <u>Cash flows from investing activities:</u>	
Interest earned from cash and cash equivalents	1,150
Retirement of Certificate of Deposit	122,748
Net cash provided (used) by investing activities	<u>123,898</u>
 Net decrease in cash and cash equivalents	(335,047)
 Total cash and restricted cash, beginning of year	<u>1,069,975</u>
 Total cash and restricted cash, end of year	<u>\$ 734,928</u>

Continued on next page

HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
 STATEMENT OF CASH FLOWS - CONTINUED
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Enterprise Fund
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating Income (Loss)	\$ (246,187)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	303,982
Bad Debt Expense (Tenants)	11,711
Change in Accounts Receivable (Tenants)	(3,446)
Change in Accounts Receivable (Grants)	(21,337)
Change in Accounts Receivable (Other)	2,387
Change in Prepaid Costs and Inventory	(2,479)
Change in Accounts Payable - Operating	(20,717)
Change in Accrued Expenses	9,296
Change in Unearned Revenue (Tenants)	8,492
Change in Security Deposits Held	(9)
Net cash provided (used) by operating activities	<u>\$ 41,693</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138 and GASB Statement 63.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "Enterprise Fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded when are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as applicable pronouncements issued by the Financial Accounting Standards Board.

Cash and Cash Equivalents

Cash and cash equivalents consisted of two checking accounts.

Accounts Receivable

Accounts receivable are reported at amounts management expects to collect and consisted of gross tenant receivables of \$6,961, reported net of an allowance for doubtful accounts of \$5,023, at a net amount of \$1,938; \$22,119 of grants receivable and \$150 of other miscellaneous receivables.

Prepaid Items and Inventory

Prepaid items and inventory consist of payments made to vendors for services and materials that will benefit future periods.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Buildings	40 years
Building Improvements	15 years
Furniture and equipment	5 - 7 years

Authority management has assessed the carrying values of capital asset balances as of December 31, 2020, and as of September 14, 2022. No significant capital asset value impairments exist as of the noted dates.

PILOT Agreement

The Authority has entered into a Payment-in-Lieu-of-Taxes (PILOT) Agreement with the City of Donaldsonville whereby the Authority agreed to pay a negotiated sum in lieu of local real property taxes. The City has waived payment of the 2021 PILOT calculated at \$44,887.

Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under unearned revenue. As of December 31, 2021, the Authority's unearned revenue balance consisted of tenant rent prepayments.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of assets by the Authority that is applicable to a future reporting period. Conversely, a deferred inflow of resources is an acquisition of assets by the Authority that is applicable to a future reporting period. As of December 31, 2021, the Authority did not have any deferred outflows or inflows of resources.

Revenue Accounting Policies

Dwelling rent income, grants recognized to fund operations and other miscellaneous income are reported as operating income. grants recognized to fund capital assets, interest income and all other revenue is reported as non-operating revenue.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a chartered public corporation under the laws of the State of Louisiana with a Board of Commissioners appointed by the City of Donaldsonville. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

NOTE C – CASH DEPOSITS

Custodial Credit Risk - The Authority's policy is to limit credit risk by adherence to the list of HUD-permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Interest Rate Risk – The Authority's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other federally insured investments.

The Housing Authority's cash and restricted cash consisted of funds held in two interest-bearing checking accounts with reconciled balances totaling \$734,928. \$318,093 of this amount was restricted for future property modernizations. Deposits balances held with financial institutions totaled \$762,665 and were secured as follows:

	Bank Deposits
Insured by FDIC	\$ 500,000
Collateralized with specific securities in the Authority's name which are held by a third-party financial institution	<u>262,665</u>
	<u>\$ 762,665</u>

The Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

NOTE D - CONTRACTUAL COMMITMENTS

The Authority's outstanding contractual commitments as of December 31, 2021, consisted of a construction contract in the amount of \$2,515,111 with an outstanding obligation amount of \$659,353, which excludes payments and accruals through December 31, 2021, of \$1,855,758.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE E - CONCENTRATION OF RISK

The Housing Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

NOTE F - SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives and earned sick leave to be utilized. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTE G - RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage.

The Authority incurred property damage from Hurricane Delta in October of 2020 and Hurricane Ida in August of 2021. There was no significant structural damage incurred or asset impairments resulting from the either of the storms. A claim for clean-up and repairs resulting from Delta has been approved by the insurance carrier in the amount of \$464,530. Clean-up and repair cost assessments from Ida are underway. No claim has been finalized or approved by the insurance carrier as of September 12, 2022.

NOTE H - DEFINED CONTRIBUTION RETIREMENT PLANS

The Authority provides retirement benefits for all of its eligible full-time employees through a defined contribution plan, known as the Housing Agency Retirement Trust Plan, administered by Mercer. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority contributes 14% of the eligible employees' base salaries to the plan. Contributions and allocated investment earnings are fully vested after 5 years of continuous service. During 2021, the Authority made the required contributions in the amount of \$36,682, and there were no significant unpaid retirement plan liabilities outstanding as of December 31, 2021.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE I – LONG TERM LIABILITIES

Accrued Compensated Absences

Housing Authority employees are granted vacation and sick leave in varying amounts depending on tenure with the Authority. In the event of termination, an employee is reimbursed for accumulated vacation leave up to a maximum of 300 hours. Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees.

Because management cannot reasonably estimate the amount of earned sick leave which will be utilized by employees, the Authority has not accrued all of its earned but unused sick leave liability in its Statement of Net Position. However, management does not anticipate that the amount of unaccrued earned sick leave as of year-end, which will be utilized in subsequent years will be significant to its financial statements.

Construction Loan

In July of 2020, the Authority entered into a Construction Loan Agreement with Capital Area Finance Authority in an amount up to \$1,500,000 to assist in financing construction of dwelling property. The loan matures five years from initial lease-up of an eligible tenant, or upon conversion to a permanent loan, which Authority management anticipates during 2023. Interest accrues at 4%, however no principal or interest payments are due prior to maturity or conversion. The loan is secured by the Johnson Memorial Homes dwelling project. During 2021, the Authority borrowed \$681,184 against the loan, all of which remained payable as of year-end.

A summary of long-term liability activity and balances as of December 31, 2021, is as follows:

	<u>January 1,</u> <u>2021 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31,</u> <u>2021 Balance</u>	<u>Due Within</u> <u>One Year</u>
Compensated Absences	\$ 39,533	\$ 22,243	\$ 21,899	\$ 39,877	\$ 14,243
Construction Loan	-	681,184	-	681,184	-
Less: Current portion	(14,014)			(14,243)	
Long Term Liabilities	\$ 25,519	\$ 703,427	\$ 21,899	\$ 706,818	\$ 14,243

NOTE J - COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K - CAPITAL ASSETS

A summary of capital asset balances as of, and activity for the year ended December 31, 2021, is as follows:

	January 1, 2021		Transfers and	December 31, 2021
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Land	\$ 233,313	\$ -	\$ -	\$ 233,313
Construction in Process	977,906	1,387,873	-	2,365,779
Total Assets not being depreciated	1,211,219	1,387,873	-	2,599,092
Buildings and Improvements	7,996,619	-	(120,819)	7,875,800
Furniture and Equipment	407,390	17,058	-	424,448
Total Capital Assets	9,615,228	1,404,931	(120,819)	10,899,340
Less Accumulated Depreciation				
Buildings and Improvements	(6,392,955)	(282,147)	120,819	(6,554,283)
Furniture and Equipment	(339,639)	(21,835)	-	(361,474)
Net Book Value	\$ 2,882,634	\$ 1,100,949	\$ -	\$ 3,983,583

NOTE L - SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through September 14, 2022, the date the financial statements were available to be issued.

**HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM
 FOR THE YEAR ENDED DECEMBER 31, 2021**

	LA48P04350117	LA48P04350118
Funds Approved	\$ 175,845	\$ 271,134
Funds Expended	<u>175,845</u>	<u>271,134</u>
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 175,845	\$ 271,134
Funds Expended	<u>175,845</u>	<u>271,134</u>
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>
	LA48P04350119	LA48P04350120
Funds Approved	\$ 283,520	\$ 293,931
Funds Expended	<u>283,520</u>	<u>293,931</u>
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 283,520	\$ 293,931
Funds Expended	<u>283,520</u>	<u>293,931</u>
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>

1. The distribution of costs as shown on the Actual Modernization Cost Certificates submitted to HUD for approval are in agreement with the Housing Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2021

EXPENDITURES

Public Housing Program	
Total Assistance Listing No. 14.850a	\$ 412,524
Public Housing CARES Act Funding	
Total Assistance Listing No. 14.PHC	12,724
Public Housing Capital Fund Program	
Total Assistance Listing No. 14.872	171,546
TOTAL HUD EXPENDITURES	596,794
Disaster Grants - Public Assistance (Presidentially Declared) - Passed through the State of Louisiana Office of Community Development, Disaster Recovery Unit	
Total Assistance Listing No. 97.036	25,188
TOTAL FEMA EXPENDITURES	25,188
TOTAL FEDERAL EXPENDITURES	\$ 621,982

NOTE 1 – BASIS OF PRESENTATION

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The Authority has elected not to use the 10% *De Minimus Indirect Cost Rate* allowed under the Uniform Guidance.

Housing Authority of the City of Donaldsonville (LA043)
DONALDSONVILLE, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 12/31/2021

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	14.PHC Public Housing CARES Act Funding	Total Enterprise Fund
111 Cash - Unrestricted	\$ 362,531	\$ -	\$ -	\$ 362,531
112 Cash - Restricted - Modernization and Development	318,093	-	-	318,093
113 Cash - Other Restricted	-	-	-	-
114 Cash - Tenant Security Deposits	54,304	-	-	54,304
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-
100 Total Cash	\$ 734,928	\$ -	\$ -	\$ 734,928
121 Accounts Receivable - PHA Projects	-	-	-	-
122 Accounts Receivable - HUD Other Projects	-	-	-	-
124 Accounts Receivable - Other Government	22,119	-	-	22,119
125 Accounts Receivable - Miscellaneous	150	-	-	150
126 Accounts Receivable - Tenants	6,961	-	-	6,961
126.1 Allowance for Doubtful Accounts - Tenants	(5,023)	-	-	(5,023)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-
128 Fraud Recovery	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 24,207	\$ -	\$ -	\$ 24,207
131 Investments - Unrestricted	-	-	-	-
132 Investments - Restricted	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-
142 Prepaid Expenses and Other Assets	34,349	-	-	34,349
143 Inventories	15,710	-	-	15,710
143.1 Allowance for Obsolete Inventories	(1,571)	-	-	(1,571)
144 Inter Program Due From	-	-	-	-
145 Assets Held for Sale	-	-	-	-
150 Total Current Assets	\$ 807,623	\$ -	\$ -	\$ 807,623
161 Land	233,313	-	-	233,313
162 Buildings	6,762,638	-	-	6,762,638
163 Furniture, Equipment & Machinery - Dwellings	-	-	-	-
164 Furniture, Equipment & Machinery - Administration	424,448	-	-	424,448
165 Leasehold Improvements	1,113,162	-	-	1,113,162
166 Accumulated Depreciation	(6,915,757)	-	-	(6,915,757)
167 Construction in Progress	2,365,779	-	-	2,365,779
168 Infrastructure	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 3,983,583	\$ -	\$ -	\$ 3,983,583
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-
174 Other Assets	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-

Housing Authority of the City of Donaldsonville (LA043)
DONALDSONVILLE, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 12/31/2021

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	14.PHC Public Housing CARES Act Funding	Total Enterprise Fund
180 Total Non-Current Assets	\$ 3,983,583	\$ -	\$ -	\$ 3,983,583
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ 4,791,206	\$ -	\$ -	\$ 4,791,206
311 Bank Overdraft	-	-	-	-
312 Accounts Payable <= 90 Days	5,817	-	-	5,817
313 Accounts Payable >90 Days Past Due	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	16,599	-	-	16,599
322 Accrued Compensated Absences - Current Portion	14,243	-	-	14,243
324 Accrued Contingency Liability	-	-	-	-
325 Accrued Interest Payable	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-
341 Tenant Security Deposits	54,304	-	-	54,304
342 Unearned Revenue	14,525	-	-	14,525
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-
345 Other Current Liabilities	92,788	-	-	92,788
346 Accrued Liabilities - Other	-	-	-	-
347 Inter Program - Due To	-	-	-	-
348 Loan Liability - Current	-	-	-	-
310 Total Current Liabilities	\$ 198,276	\$ -	\$ -	\$ 198,276
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	681,184	-	-	681,184
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-
354 Accrued Compensated Absences - Non Current	25,634	-	-	25,634
355 Loan Liability - Non Current	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-
350 Total Non-Current Liabilities	\$ 706,818	\$ -	\$ -	\$ 706,818
300 Total Liabilities	\$ 905,094	\$ -	\$ -	\$ 905,094
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	3,302,399	-	-	3,302,399
511.4 Restricted Net Position	318,093	-	-	318,093
512.4 Unrestricted Net Position	265,620	-	-	265,620
513 Total Equity - Net Assets / Position	\$ 3,886,112	\$ -	\$ -	\$ 3,886,112
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 4,791,206	\$ -	\$ -	\$ 4,791,206

Housing Authority of the City of Donaldsonville (LA043)
DONALDSONVILLE, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 12/31/2021

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	14.PHC Public Housing CARES Act Funding	Total Enterprise Fund
70300 Net Tenant Rental Revenue	\$ 505,611	\$ -	\$ -	\$ 505,611
70400 Tenant Revenue - Other	15,577	-	-	15,577
70500 Total Tenant Revenue	\$ 521,188	\$ -	\$ -	\$ 521,188
70600 HUD PHA Operating Grants	431,024	-	12,724	443,748
70610 Capital Grants	153,046	-	-	153,046
70710 Management Fee	-	-	-	-
70720 Asset Management Fee	-	-	-	-
70730 Book Keeping Fee	-	-	-	-
70740 Front Line Service Fee	-	-	-	-
70750 Other Fees	-	-	-	-
70700 Total Fee Revenue	\$ 584,070	\$ -	\$ 12,724	\$ 596,794
70800 Other Government Grants	-	25,188	-	25,188
71100 Investment Income - Unrestricted	1,150	-	-	1,150
71200 Mortgage Interest Income	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-
71400 Fraud Recovery	-	-	-	-
71500 Other Revenue	51,878	-	-	51,878
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-
70000 Total Revenue	\$ 1,158,286	\$ 25,188	\$ 12,724	\$ 1,196,198
91100 Administrative Salaries	168,395	3,167	-	171,562
91200 Auditing Fees	7,875	-	-	7,875
91300 Management Fee	-	-	-	-
91310 Book-keeping Fee	-	-	-	-
91400 Advertising and Marketing	-	-	-	-
91500 Employee Benefit contributions - Administrative	65,497	243	-	65,740
91600 Office Expenses	8,903	-	-	8,903
91700 Legal Expense	750	-	-	750
91800 Travel	-	-	-	-
91810 Allocated Overhead	-	-	-	-
91900 Other	28,929	-	-	28,929
91000 Total Operating - Administrative	\$ 280,349	\$ 3,410	\$ -	\$ 283,759
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	-	-	-
92200 Relocation Costs	1,120	-	-	1,120
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-
92400 Tenant Services - Other	5,919	-	-	5,919
92500 Total Tenant Services	\$ 7,039	\$ -	\$ -	\$ 7,039
93100 Water	54,111	-	-	54,111

Housing Authority of the City of Donaldsonville (LA043)
DONALDSONVILLE, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 12/31/2021

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	14.PHC Public Housing CARES Act Funding	Total Enterprise Fund
93200 Electricity	13,212	-	-	13,212
93300 Gas	578	-	-	578
93400 Fuel	-	-	-	-
93500 Labor	-	-	-	-
93600 Sewer	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-
93800 Other Utilities Expense	-	-	-	-
93000 Total Utilities	\$ 67,901	\$ -	\$ -	\$ 67,901
94100 Ordinary Maintenance and Operations - Labor	143,594	7,168	3,695	154,457
94200 Ordinary Maintenance and Operations - Materials and Other	63,658	-	8,775	72,433
94300 Ordinary Maintenance and Operations Contracts	31,781	-	-	31,781
94500 Employee Benefit Contributions - Ordinary Maintenance	62,301	549	254	63,104
94000 Total Maintenance	\$ 301,334	\$ 7,717	\$ 12,724	\$ 321,775
95100 Protective Services - Labor	-	-	-	-
95200 Protective Services - Other Contract Costs	49,599	-	-	49,599
95300 Protective Services - Other	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-
95000 Total Protective Services	\$ 49,599	\$ -	\$ -	\$ 49,599
96110 Property Insurance	116,289	-	-	116,289
96120 Liability Insurance	-	-	-	-
96130 Workmen's Compensation	9,999	-	-	9,999
96140 All Other Insurance	11,612	-	-	11,612
96100 Total Insurance Premiums	\$ 137,900	\$ -	\$ -	\$ 137,900
96200 Other General Expenses	-	-	-	-
96210 Compensated Absences	22,243	-	-	22,243
96300 Payments in Lieu of Taxes	44,887	-	-	44,887
96400 Bad debt - Tenant Rents	11,711	-	-	11,711
96500 Bad debt - Mortgages	-	-	-	-
96600 Bad debt - Other	-	-	-	-
96800 Severance Expense	-	-	-	-
96000 Total Other General Expenses	\$ 78,841	\$ -	\$ -	\$ 78,841
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -
96900 Total Operating Expenses	\$ 922,963	\$ 11,127	\$ 12,724	\$ 946,814
97000 Excess of Operating Revenue over Operating Expenses	\$ 235,323	\$ 14,061	\$ -	\$ 249,384

Housing Authority of the City of Donaldsonville (LA043)
DONALDSONVILLE, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 12/31/2021

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	14.PHC Public Housing CARES Act Funding	Total Enterprise Fund
97100 Extraordinary Maintenance	23,332	14,061	-	37,393
97200 Casualty Losses - Non-capitalized	-	-	-	-
97300 Housing Assistance Payments	-	-	-	-
97350 HAP Portability-In	-	-	-	-
97400 Depreciation Expense	303,982	-	-	303,982
97500 Fraud Losses	-	-	-	-
90000 Total Expenses	\$ 1,250,277	\$ 25,188	\$ 12,724	\$ 1,288,189
10010 Operating Transfer In	18,500	-	-	18,500
10020 Operating transfer Out	(18,500)	-	-	(18,500)
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (91,991)	\$ -	\$ -	\$ (91,991)
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	\$ 3,978,103	\$ -	\$ -	\$ 3,978,103
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-
11170 Administrative Fee Equity	\$ -	\$ -	\$ -	\$ -
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ -
11190 Unit Months Available	1,675	-	-	1,675
11210 Number of Unit Months Leased	1,647	-	-	1,647
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	153,046	-	-	153,046
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2021

Section I: Summary of Auditor's Results:

FINANCIAL STATEMENTS

Type of auditor's report issued:

Unmodified

Internal Control over financial reporting:

Are material weaknesses identified?

Yes No

Are significant deficiencies that are not considered
to be material weaknesses identified?

Yes None
Reported

Is noncompliance that could have a material effect
on the financial statements identified?

Yes No

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2021

Section II: Financial Statement Findings:

Summary Schedule of Prior Year Findings:

Finding 2020-001 – State of Louisiana Audit Deadline Not Met (Other Matter)

Condition

The Authority did not submit its completed audit to the State of Louisiana Legislative Auditor's Office within six months of its year-end.

Current Year Status

This Finding is restated as Current Year Finding 2021-001.

Finding 2020-002 – Failure to Accrue Year-End Liabilities (Material Weakness)

Condition

The Authority did not accrue two contractor invoices, totaling \$248,381 of liabilities, during its fiscal year-end close.

Current Year Status

There were no applicable unaccrued contractor invoices, or other significant invoices. This Finding is not restated.

Finding 2020-003 - Federal Audit Deadlines Not Met

Condition

The Authority did not submit its completed audit to the Federal Audit Clearinghouse or HUD within fifteen months of its year-end.

Current Year Status

The Authority has completed its 2021 audit and is in a position to satisfy applicable federal deadlines. This Finding is not restated.

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2021

Section II: Financial Statement Findings - Continued:

Current Year Findings and Questioned Costs:

Finding 2021-001 – State of Louisiana Audit Deadline Not Met (Other Matter)

Criteria

The State of Louisiana Legislative Auditor's Office requires local government agencies to submit their completed audits within six months from the agencies' applicable fiscal year-ends.

Condition

The Authority did not submit its completed audit to the State of Louisiana Legislative Auditor's Office within six months of its year-end.

Cause

The Authority did not complete its audit within six months of its year-end in order to submit it to the State of Louisiana Legislative Auditor's Office within six months of its year-end.

Effect

Noncompliance with State audit requirements.

Questioned Costs – N/A

Recommendation

We recommend that the Authority complete and submit its audit to the State of Louisiana Legislative Auditor's Office within six months of the Authority's year-end.

Reply

The Authority will complete and submit its audit to the State of Louisiana Legislative Auditor's Office within six months of its year-end. Ruth Franklin, Executive Director, has assumed the responsibility of assuring completion and submission of the Authority's audit to the State of Louisiana Legislative Auditor's Office within six months of the Authority's year-end, and expects this instance of noncompliance to be resolved by June 30, 2023.

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

CORRECTIVE ACTION PLAN

DECEMBER 31, 2021

Finding 2021-001 – State of Louisiana Audit Deadline Not Met (Other Matter)

The Authority will complete and submit its audit to the State of Louisiana Legislative Auditor's Office within six months of its year-end. Ruth Franklin, Executive Director, has assumed the responsibility of assuring completion and submission of the Authority's audit to the State of Louisiana Legislative Auditor's Office within six months of the Authority's year-end, and expects this instance of noncompliance to be resolved by June 30, 2023.

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO THE EXECUTIVE
DIRECTOR

YEAR ENDED DECEMBER 31, 2021

EXPENDITURE PURPOSE

Salary	<u>\$ 101,906</u>
Benefits - Insurance	<u>12,181</u>
Benefits - Retirement	<u>12,618</u>
Total Compensation, Benefits and Other Payments	<u>\$ 126,705</u>

Agency Head: Beryl Pitre, Executive Director (and Former Executive Director of The
Housing Authority of Lafourche Parish - see Note 2 below)

NOTE 1 – BASIS OF PRESENTATION

The above Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of the *Louisiana Revised Statute (R.S.) 24:513A.(3)*, as amended by *Act 706 of the 2014 Legislative Session*.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Housing Authority of the City of Donaldsonville
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the period of January 1, 2021 through December 31, 2021. The Housing Authority of the City of Donaldsonville's (the Authority's) management is responsible for those C/C areas identified in the SAUPs.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUP's for the period of January 1, 2021 through December 31, 2021. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

See Addendum A following this report for a description of the SAUPs.

The associated results and conclusions are as follows:

Written Policies and Procedures

The following exceptions were noted during a review of the Authority's policies and procedures: A) The Purchasing Policy did not address a vendor list. B) The Sexual Harassment Policy did not address training or annual reporting. C) A Debt Service Policy was not provided upon request. D) An IT Disaster Recovery/Business Continuity Policy was not provided upon request. All other Written Policies and Procedures business functions outlined in Addendum A (attached) were addressed without exception.

Board

The applicable Board or Finance Committee function outlined in Addendum A (attached) was addressed without exception.

Bank Reconciliations

All Bank Reconciliation functions outlined in Addendum A (attached) were addressed without exception.

Collections

All Collections functions outlined in Addendum A (attached) were addressed without exception.

Disbursements

The Authority does not have at least two employees involved in every purchase. However, compensating controls are executed. All other applicable Disbursements functions outlined in Addendum A (attached) were addressed without exception.

Credit Cards

All Credit Cards functions outlined in Addendum A (attached) were addressed without exception.

Travel and Expense Reimbursement

There were no Travel and Expense Reimbursements expenditures incurred during 2021. Therefore, procedures were not performed on the applicable functions outlined in Addendum A (attached).

Contracts

All Contracts functions outlined in Addendum A (attached) were addressed without exception.

Payroll and Personnel

All Payroll and Personnel functions outlined in Addendum A (attached) were addressed without exception.

Ethics

All Ethics functions outlined in Addendum A (attached) were addressed without exception.

Debt Service

All applicable Debt Service functions outlined in Addendum A (attached) were addressed without exception.

Fraud Notice

All applicable Fraud Notice functions outlined in Addendum A (attached) were addressed without exception.

Information Technology Disaster Recovery/Business Continuity

We performed the procedures on the Information Technology Disaster Recovery/Business Continuity functions outlined in Addendum A (attached) and discussed the results with management.

Sexual Harassment

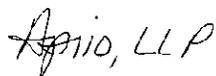
Upon request, the Authority did not provide corroborating documentation that employees completed one hour of sexual harassment training during 2021. The Authority did not submit a sexual harassment report during, or applicable to 2021. The remaining Sexual Harassment function outlined in Addendum A (attached) was addressed without exception.

See Addendum B following this report for the Authority's Corrective Action Plan.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Birmingham, Alabama
September 14, 2022

ADDENDUM A

Procedures

Report all exceptions to the following procedures, either after each procedure or after all procedures, within each of the fourteen AUP categories. “Random” selections may be made using Microsoft Excel’s random number generator or an alternate method selected by the practitioner that results in an equivalent sample (e.g., those methods allowed under the AICPA Audit Guide - *Audit Sampling*).

Written Policies and Procedures

1. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity’s operations:¹
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization’s operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

- h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) ***Ethics***², including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee³

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds⁴, and semi-annual budget-to-actual, at a minimum, on all special revenue funds⁷. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or*

² The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

⁴ Proprietary and special revenue funds are defined under GASB standards. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary and special revenue operations that are not required to be budgeted under the Local Government Budget Act.

included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁶ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic funds transfers)⁷

4. Obtain a listing of deposit sites⁸ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations⁹ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

⁷ The Collections category is not required to be tested if the entity has a third party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

⁸ A deposit site is a physical location where a deposit is prepared and reconciled.

⁹ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office.

and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons

who maintained possession of the cards¹⁰. Obtain management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing)¹¹. For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Travel and Travel-Related Expense Reimbursements¹² (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

¹⁰ Including cards used by school staff for either school operations or student activity fund operations.

¹¹ For example, if 3 of the 5 cards selected were fuel cards, only 10 transactions would be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #12 were fuel cards, Procedure #13 would not be applicable.

¹² Non-travel reimbursements are not required to be tested under this category.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹³ (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. Obtain a listing of employees and officials¹⁴ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

¹³ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

¹⁴ "Officials" would include those elected, as well as board members who are appointed.

- a) Observe all selected employees or officials¹⁵ documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*Ethics*¹⁶

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

¹⁵ "Officials" would include those elected, as well as board members who are appointed.

¹⁶ The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the procedures should be performed.

*Debt Service*¹⁷

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe the entity has posted, on its premises¹⁸ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.¹⁹

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel

¹⁷ This AUP category is generally not applicable to nonprofit entities; however, if applicable, the procedures should be performed.

¹⁸ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

¹⁹ This notice is available for download or print at www.la.la.gov/hotline.

responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*Sexual Harassment*²⁰

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

²⁰ A private non-profit that is subject to audit by virtue of the receipt of public funds does not appear to be subject to the sexual harassment law, R.S. 42:341, et seq. However, the non-profit could be subject to the law as part of its agreement to receive the public funds.

ADDENDUM B

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR, STATE-WIDE AGREED-UPON PROCEDURES

CORRECTIVE ACTION PLAN

DECEMBER 31, 2021

Written Policies and Procedures

The Authority will: A) Address a vendor list in its Purchasing Policy. B) Address training and annual reporting in its Sexual Harassment. C) Document a Debt Service Policy. D) Document an IT Disaster Recovery/Business Continuity Policy.

Disbursements

The Authority will continue to execute compensating controls over purchases.

Sexual Harassment

The Authority will maintain documentation of sexual harassment training completed by employees during future reporting periods. The Authority will submit a sexual harassment report during, or applicable to future reporting periods.